



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS	REDEVELOPMENT AGENCY	FINANCING AUTHORITY
Dennis Kennedy, Mayor	Dennis Kennedy, Chair	Dennis Kennedy, President
Greg Sellers, Mayor Pro Tempore	Greg Sellers, Vice-Chair	Greg Sellers, Vice-President
Larry Carr, Council Member	Larry Carr, Agency Member	Larry Carr, Authority Commissioner
Hedy Chang, Council Member	Hedy Chang, Agency Member	Hedy Chang, Authority Commissioner
Steve Tate, Council Member	Steve Tate, Agency Member	Steve Tate, Authority Commissioner

WEDNESDAY, JULY 7, 2004

JOINT MEETING

CITY COUNCIL SPECIAL AND REGULAR MEETING

and

REDEVELOPMENT AGENCY SPECIAL MEETING

and

MORGAN HILL FINANCE AUTHORITY COMMISSION SPECIAL MEETING

6:00 P.M.

A Joint Special Meeting of the City Council, Redevelopment Agency, and the Morgan Hill Financing Authority Commission is Called at 6:00 P.M. for the Purpose of Conducting Closed Sessions and City Business.

**Dennis Kennedy, Mayor/RDA Chairman/President
of the Financing Authority Commission**

CALL TO ORDER

(Mayor/Chairperson/President Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency and Authority Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency and Authority Secretary Torrez)

6:00 P.M.

City Council Action and Redevelopment Agency Action

CLOSED SESSION:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)
Number of Potential Cases: 4

2.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Name of Case: Hacienda Valley Mobile Estates v. City of Morgan Hill.
Case Number: United States Supreme Court 03-1571

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Case Name: Hacienda Valley Mobile Estates v. City of Morgan Hill
Case Number: Santa Clara Superior Court, Case No. CV 807708

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITION

Library Commissioner Mary Ellen Salzano

PRESENTATIONS

Public Works Department – Winner of the
"Project of the Year" Second Place Award for the Butterfield Boulevard Project - Phase IV
From the American Public Works Association (APWA) South Bay Area Chapter
APWA Chapter Delegate Gordon Siebert

CITY COUNCIL REPORT

Mayor Pro Tempore Sellers

CITY COUNCIL SUB-COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council Action

CONSENT CALENDAR:

ITEMS 1-15

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

1. **SUBDIVISION APPLICATION, SD-04-06: SAN PEDRO-DICONZA** 1
Recommended Action(s): Take no action, thereby concurring with the Planning Commission's decision regarding approval of the subdivision map.
2. **AMENDED RIGHT-OF-WAY PURCHASE AGREEMENT FOR TENNANT AVENUE
WIDENING (APN: 817-04-002)** 29
Recommended Action(s):
 1. **Approve** Amended Purchase Price; and
 2. **Authorize** the City Manager to Execute Purchase Agreement, Subject to Approval as to Form by City Attorney, with the Owner of APN: 817-04-002, for the Total Compensation of \$102,000 Plus Escrow and Closing Costs for the Acquisition of Portions of This Property.
3. **CONDOMINIUM PARCEL MAP APPROVAL FOR R.A.R. CONSTRUCTION-ADAMS COURT** 33
Recommended Action(s):
 1. **Approve** the Condominium Parcel Map, Including the Abandonment of a Storm Drain Easement and Temporary Turn-Around Easement on the Property; and
 2. **Authorize** the Recordation of the Map.

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
4.	<u>PUBLIC WORKS MAINTENANCE AGREEMENTS FOR 2004-2006</u>	37
	<u>Recommended Action(s):</u>	
	1. <u>Approve</u> New Maintenance Agreements for: Striping and Signing, Traffic Signal Maintenance, Tree Pruning, Laboratory Services for Potable Water Sampling and Analysis, and City-wide Landscape Services; and	
	2. <u>Authorize</u> the City Manager to Execute the Agreements on Behalf of the City, Subject to Review and Approval by the City Attorney.	
5.	<u>AWARD OF DEWITT SEWER REPLACEMENT PROJECT</u>	41
	<u>Recommended Action(s):</u>	
	1. <u>Award</u> Contract to Pacific Underground Construction, Inc. for the Construction of the Dewitt Sewer Project in the Amount of \$410,025, Subject to Review and Approval of the City Attorney; and	
	2. <u>Authorize</u> Expenditure of Construction Contingency Funds, Not to Exceed \$41,000.	
6.	<u>AWARD OF CONTRACT TO PROVIDE PUBLIC WORKS INSPECTIONS ON AN AS-NEEDED BASIS</u>	45
	<u>Recommended Action(s):</u>	
	1. <u>Approve</u> a Professional Services Contract with Testing Engineers, Inc. (TEI) to Provide Public Works Inspection Services on an As-needed Basis, at a Cost Not to Exceed \$90,000 for Fiscal Year 2004-2005; and	
	2. <u>Authorize</u> the City Manager to Execute the Contract, Subject to Review and Approval by the City Attorney.	
7.	<u>RESOLUTION ADOPTING THE CITY'S FLEXIBLE BENEFITS PLAN – SUMMARY PLAN DESCRIPTION AND PLAN DOCUMENT AS AMENDED AND RESTATED ON JANUARY 1, 2004</u>	47
	<u>Recommended Action(s):</u> <u>Adopt</u> the City of Morgan Hill's Amended Cafeteria Plan: Summary Plan Description and Plan Document Effective January 1, 1997, as Amended and Restated, Effective January 1, 2004.	
8.	<u>APPROVE RESOLUTION ADOPTING AMENDMENTS TO DEFERRED COMPENSATION PLAN WITH HARTFORD LIFE INSURANCE COMPANY</u>	113
	<u>Recommended Action(s):</u> <u>Adopt</u> Resolution.	
9.	<u>ADOPT ORDINANCE NO. 1679, NEW SERIES</u>	119
	<u>Recommended Action(s):</u> <u>Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1679, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT AND THE APPROVAL OF A PRECISE DEVELOPMENT PLAN FOR PHASE 6 OF THE CAPRIANO/MADRONE CROSSING DEVELOPMENT. THE RESIDENTIAL DEVELOPMENT PLAN COVERS A 68 ACRE SITE LOCATED ON THE WEST SIDE OF MONTEREY ROAD, SOUTH SIDE OF TILTON AVENUE, ON THE EAST SIDE OF HALE AVE. (APN's 764-09-005, 006, 007, 008, 009, 010 & 014) (APPLICATION ZA-04-01: HALE-GLENROCK BUILDERS).	

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
10.	<u>ADOPT ORDINANCE NO. 1680, NEW SERIES</u>	127
	<u>Recommended Action(s): Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1680, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA 04-01 FOR APPLICATION MP-02-03: TILTON-GLENROCK (APNS 764-9-06, 16, 17, 32 & 33).	
11.	<u>ADOPT ORDINANCE NO. 1681, NEW SERIES</u>	131
	<u>Recommended Action(s): Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1681, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1617, NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP-99-04: CHRISTEPH COURT - KOSICH TO INCORPORATE A SIX-MONTH EXTENSION OF TIME FOR A SINGLE DWELLING UNIT AND TO ALLOW FOR AN ALTERNATIVE MEASURE P COMMITMENT IN LIEU OF A FIVE-FOOT PATHWAY (APN 764-32-024)/(DAA-00-01: CHRISTEPH - KOSICH).	
12.	<u>ADOPT ORDINANCE NO. 1682, NEW SERIES</u>	139
	<u>Recommended Action(s): Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1682, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE DEVELOPMENT AGREEMENT, DA 03-10 FOR MP 02-14: COCHRANE – COYOTE ESTATES (APNS 728-35-008, 010; 728-36-001, 010).	
13.	<u>ADOPT ORDINANCE NO. 1683, NEW SERIES</u>	163
	<u>Recommended Action(s): Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1683, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 5.32 (MASSAGE ESTABLISHMENTS) OF TITLE 5 (BUSINESS TAXES, LICENSES AND REGULATIONS) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING REGULATION OF MASSAGE ESTABLISHMENTS AND PRACTITIONERS.	
14.	<u>ADOPT ORDINANCE NO. 1684, NEW SERIES</u>	171
	<u>Recommended Action(s): Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1684, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 3.04 (PURCHASING) OF TITLE 3 (REVENUE AND FINANCE) AND DELETING SECTIONS 3.04.320, 3.04.330, 3.04.340, 3.04.350, 3.04.360, AND 3.04.410 OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING LOCAL PREFERENCE, THRESHOLD AMOUNTS FOR BID, RECYCLED PRODUCTS, EMERGENCY EXEMPTIONS, AND DONATION OF UNUSABLE MATERIAL.	
15.	<u>APPROVE THE MINUTES FOR THE CITY COUNCIL SPECIAL MEETING OF JUNE 23, 2004</u>	181

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 16-17

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
16.	<u>APPROVE THE JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF JUNE 16, 2004</u>	185
17.	<u>APPROVE THE JOINT REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF JUNE 23, 2004</u>	219

Redevelopment Agency Action

CONSENT CALENDAR:

ITEM 18

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
18.	<u>MORGAN HILL DOWNTOWN ASSOCIATION (MHDA) 4TH QUARTER REPORT AND ANNUAL WORK PLAN AND AGREEMENT</u>	239
	<u>Recommended Action(s):</u>	
	1. <u>Accept</u> 4 th Quarter Report;	
	2. <u>Review and Accept</u> Fiscal Year 2004-2005 Annual Work Plan; and	
	3. <u>Authorize</u> the Executive Director to Negotiate and Execute an Agreement with the Morgan Hill Downtown Association (MHDA) in an Amount Not to Exceed \$97,500, Subject to Review and Approval by Agency General Counsel.	

City Council Action

PUBLIC HEARINGS:

	Time Estimate		Page
19.	10 Minutes	<u>PUBLIC HEARING AND ADOPTION OF RESOLUTIONS CONFIRMING FISCAL YEAR 2004-2005 ANNUAL ASSESSMENT FOR THE FOX HOLLOW-MURPHY SPRINGS ASSESSMENT DISTRICT</u>	259
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action-	
		a) <u>Adopt</u> Two Resolutions, Confirming the Fiscal Year 2004-2005 Annual Assessment for the Fox Hollow/Murphy Springs Assessment District, <u>Excluding</u> the Conte Gardens and Sandalwood Estate Zones;	
		Action-	
		b) <u>Adopt</u> Two Resolutions, Confirming the Fiscal Year 2004-2005 Annual Assessment for the Fox Hollow/Murphy Springs Assessment District, <u>Referring Only</u> to the Conte Gardens Zone;	
		Action-	
		c) <u>Adopt</u> Two Resolutions, Confirming the Fiscal Year 2004-2005 Annual Assessment for the Fox Hollow/Murphy Springs Assessment District, <u>Referring Only</u> to the Sandalwood Estates Zone; and	
20.	5 Minutes	<u>DEVELOPMENT AGREEMENT AMENDMENT, DAA-98-11: SPRING-MALONE/FILIPOWICZ</u>	357
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance. Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote).	
21.	5 Minutes	<u>DEVELOPMENT AGREEMENT AMENDMENT, DAA-03-11: SAN PEDRO-DICONZA</u>	367
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance. Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote).	
22.	60 Minutes	<u>REVIEW OF THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE INSTITUTE GOLF COURSE AND MATHEMATICS CONFERENCE CENTER</u> (Continued from 6/9/04).....	397
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Adopt</u> Resolution Certifying the Institute Golf Course EIR, Including the Adoption of Findings of Overriding Consideration with Respect to the Cumulative Loss of Agricultural Land.	

PUBLIC HEARINGS:

	Time Estimate		Page
23.	15 Minutes	<u>ZONING AMENDMENT, ZA-03-03: FOOTHILL – THE INSTITUTE</u> (Continued from 6/9/04).....	467
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Motion to Waive</u> the Reading in Full of Zoning Amendment Ordinance.	
		Action- <u>Motion to Introduce</u> Zoning Amendment Ordinance by Title Only. (Roll Call Vote)	
24.	30 Minutes	<u>ZONING AMENDMENT APPLICATION, ZAA 01-20: TENNANT-SAFEWAY</u>	521
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Motion to Waive</u> the Reading in Full of Zoning Amendment Application Ordinance.	
		Action- <u>Motion to Introduce</u> Zoning Amendment Application Ordinance by Title Only. (Roll Call Vote)	
25.	5 Minutes	<u>ANNEXATION, ANX-03-04: BURNETT-MORGAN HILL UNIFIED SCHOOL DISTRICT (MHUSD) SOBRATO HIGH SCHOOL</u>	533
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Adopt</u> Resolution Approving Annexation.	

City Council and Morgan Hill Financing Authority Action

PUBLIC HEARINGS:

	Time Estimate		Page
26.	5 Minutes	<u>ISSUANCE OF BONDS FOR MORGAN HILL POLICE FACILITY</u>	553
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		<u>Acting as City Council:</u>	
		Action- <u>Adopt</u> Resolution Making Finding of Significant Public Benefit; and	
		Action- <u>Adopt</u> Resolution Approving Certain Documents in Connection with the Issuance of Morgan Hill Financing Authority Lease Revenue Bonds.	
		<u>Acting as Morgan Hill Financing Authority Commission:</u>	
		Action- <u>Adopt</u> Resolution Authorizing the Sale, Issuance, and Delivery of Lease Revenue Bonds and Approving Certain Documents.	

City Council Action

OTHER BUSINESS:

	Time Estimate		Page
27.	1 Minute	<u>HEARING FOR EXEMPTION TO UNDERGROUNDING UTILITIES – 16415 MONTEREY ROAD</u>	739
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Grant</u> Exemption to the Requirement to Underground Utilities with Payment of In Lieu Fees for the Proposed Development at 16415 Monterey Road.	
28.	30 Minutes	<u>REVENUE INCREASE REVIEW</u> (Continued from 6/16/04).....	745
		<u>Recommended Action(s): Continue</u> Discussion of New Revenue Sources and <u>Provide</u> <u>Direction</u> to Staff.	
29.	15 Minutes	<u>COMMUNITY INDOOR RECREATION CENTER BUDGET DIRECTION</u> <u>DURING CONSTRUCTION DOCUMENTS DESIGN PHASE</u>	767
		<u>Recommended Action(s): Provide</u> Budget Direction.	
30.	15 Minutes	<u>RESPONSE TO GRAND JURY FINAL REPORT – INQUIRY INTO THE</u> <u>BOARD STRUCTURE AND FINANCIAL MANAGEMENT OF THE VALLEY</u> <u>TRANSPORTATION AUTHORITY</u>	771
		<u>Recommended Action(s):</u> 1. <u>Discuss</u> the Grand Jury’s Recommendations I and II; and 2. <u>Authorize</u> Mayor Kennedy to Submit the Responses on the Form Provided by the Grand Jury.	
31.	10 Minutes	<u>REVIEW OF VALLEY TRANSPORTATION AUTHORITY (VTA) VALLEY</u> <u>TRANSPORTATION PLAN (VTP) 2030 PROJECT LIST</u>	797
		<u>Recommended Action(s):</u> The Mayor Requests Additional <u>Review</u> and <u>Discussion</u> of the Proposed VTA VTP 2030 Program Area Lists to Confirm City Priorities.	
32.	5 Minutes	<u>EMERGENCY AUTHORIZATION FOR WELL DRILLING</u>	833
		<u>Recommended Action(s):</u> 1. <u>Adopt</u> Resolution Declaring the Need for this Emergency Expenditure; 2. <u>Appropriate</u> \$350,000 from the Current Year Unappropriated Water Fund (653) Balance for this Project; and 3. <u>Approve</u> Expenditure of Funds, Not to Exceed \$550,000, for Construction of Emergency Well.	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT